

Message Text

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INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

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AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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TAGS: PFOR SZ EGEN OECD

SBUBJ: AMBASSADOR JOLLES ON THE ECONOMIC SUMMIT, PROSPECTS FOR
THE MTN'S , THE NORTH-SOUTH DIALOGUE, PROTECTIONISM AND
EXPORT PROMOTION.

1. IN AN INTERVIEW WITH A REPORTER FROM THE TRIBUNE
DE GENEVE PUBLISHED ON NOVEMBER 7, AMBASSADOR JOLLES,
DIRECTOR, DIVISION OF COMMERCE, DEPARTMENT OF PUBLIC
ECONOMY, ANSWERED QUESTIONS ON THESE SUBJECTS. AN
INFORMAL TRANSLATION FOLLOWS.

2. ASKED WHAT IS SWISS POLICY ON THE ECONOMIC
SUMMIT, JOLLES SAID THAT THE SUMMIT COULD BE A MOST
IMPORTANT MEETING TO WHICH SWITZERLAND CAN HARDLY BE IN-
DIFFERENT. ON THE ONE HAND, HE SAID, WE ARE MORE DIRECTLY LINKED
TO THE WORLD ECONOMY THAN THE GREAT POWERS; ON THE
OTHER, WHILE SWITZERLAND IS A SMALL COUNTRY ITS ECONOMY
IS IMPORTANT. WE COULD NOT HOPE TO PARTICIPATE IN
SUCH A MEETING OF GREAT POWERS BUT WE WILL BE MORE
AFFECTED THAN OTHERS BY THEIR DECISIONS. NOT HAVING
BEEN INVITED, WE ARE NOT OBLIGED TO TAKE AN OFFICIAL
POSITION. NEVERTHELESS, SPEAKING PERSONALLY I FULLY
UNDERSTAND THE NEED FOR HARMONIZATION AMONG THE GREAT
POWERS. WHILE WE ARE NOT AMONG THOSE WHO OBJECT WE
BELIEVE NONETHELESS THAT THE TENDENCY OF THE GREAT POWERS
TO RESOLVE THEIR PROBLEMS AMONG THEMSELVES, A TENDENCY
WHICH BECOMES MORE AND MORE PRONOUNCED, MUST HAVE ITS
COUNTERPART IN THE INTENSIFICATION OF CONSULTATIONS
IN LARGER FORUMS SUCH AS THE OECD. THERE WILL BE MANY
LESS OBJECTIONS TO THE EFFORTS OF THE GREAT POWERS TO
TAKE A STEP FORWARD IF CONSULTATION IN ORGANIZATIONS
LIKE THE OECD BECOMES FULLER AND FIRMER. ONE MUST
REINFORCE, NOT EMPTY EXISTING MECHANISMS OF THEIR
SUBSTANCE. THE SWISS ECONOMY DEPENDS ON THE INTER-
NATIONAL ECONOMY. THE SIX COUNTRIES MEETING IN MID-
NOVEMBER ARE OUR PRINCIPAL CLIENTS. WE THEREFORE
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WISH THEM THE GREATEST SUCCESS BECAUSE THIS COULD
HAVE ONLY A POSITIVE EFFECT ON OUR ECONOMY.

3. ASKED ABOUT THE TRADE NEGOTIATIONS AND WHETHER
ONE COULD HOPE THAT A RENEWED EFFORT WOULD RESULT
FROM THE SUMMIT, JOLLES SAID THE CURRENT BLOCKAGE IS
VERY CLEARLY DUE TO DIFFERENCES ON AGRICULTURE BETWEEN
THE EEC AND THE US. BECAUSE OF SWISS AGRICULTURAL POLICY,

WE SWISS WELL UNDERSTAND THE DIFFICULTIES WHICH ARISE IN THIS SECTOR. THE SIX COUNTRIES WHICH PARTICIPATE IN THE SUMMIT HAVE A PARTICULAR RESPONSIBILITY FOR RESOLVING THE PROBLEM. WE ARE NOT VERY PESSIMISTIC ABOUT THE PROSPECTS THAT THEY WILL BE PERSUDED. A GREAT DEAL OF WORK WENT INTO THE PREPARATIONS WHICH WOULD NOT HAVE BEEN CONCEIVABLE WITHOUT THE POLITICAL WILL TO LAUNCH THEM.

4. JOLLES WAS ASKED WHAT THE SUMMIT MEANT IN TERMS OF THE SECOND PHASE OF THE DIALOGUE ON NORTH-SOUTH ISSUES. HE REPLIED THAT THE SUBJECTS ON THE AGENDA FOR THE SUMMIT - ENERGY, RAW MATERIALS, DEVELOPMENT ASSISTANCE, AND FINANCIAL - ARE PRECISELY THOSE WHICH WILL BE EXAMINED IN THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION. GIVEN THE FACT THAT THE SUMMIT WILL TAKE PLACE A MONTH EARLIER, IT IS REASONABLE TO EXPECT AND HOPE THAT THE OPPORTUNITY WILL BE SEIZED TO ADVANCE THE PREPARATION OF THE BASIS FOR THE CONFERENCE BECAUSE IT IS ESSENTIAL THAT THIS EFFORT TO IMPROVE INTERNATIONAL ECONOMIC RELATIONS SUCCEEDS. THE OECD HAS DEDICATED ALL ITS ENERGIES TO THIS PREPARATION WHICH AGAIN UNDERLINES THE IMPORTANCE OF EFFECTIVE CONSULTATIONS (AMONG THE INDUSTRIALIZED COUNTRIES). TO BE REPRESENTATIVE OF THE VIEWS OF ALL THE INDUSTRIALIZED COUNTRIES THE COUNTRIES PARTICIPATING IN THE CONFERENCE MUST BE PREPARED TO HOLD DISCUSSIONS WITH THE REST (DOIVENT SE PRETER A UNE DISCUSSION DE GROUPE).

5. JOLLES WAS ALSO ASKED WHAT HE THOUGHT OF THE FORCE OF PROTECTIONIST TRENDS. HE SAID HE IS CONVINCED THAT PROTECTIONISM WILL RESOLVE NOTHING. ON THE CONTRARY IT WOULD ONLY AGGRAVATE THE SITUATION. THE UNCLASSIFIED

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RECESSION HAS AFFECTED ALL COUNTRIES AT THE SAME TIME, AND THEREFORE THERE IS A RISK OF RELEASING AN AVALANCHE OF PROTECTIONIST MEASURES. COUNTRIES WHICH FLIRT WITH THESE MEASURES ARE PLAYING WITH FIRE. TO BE ABLE TO PQ THE HIGHER COSTS OF PETROLEUM AND OTHER RAW MATERIALS, WE MUST NOW MORE THAN EVER BE ABLE TO EXPORT.

6. THE INTERVIEWER ASKED JOLLES WHAT HE THOUGHT OF THE IDEA OF CREATING A BANK FOR THE LONG-TERM FINANCING OF EXPORTS. JOLLES SAID THAT THE PROMOTION OF EXPORTS IS A LEGITIMATE TASK AS LONG AS IT'S DONE WITHOUT ARTIFICIALLY DISTORTING CONDITIONS OF COMPETITION AND WITHOUT GRANTING SUBSIDIES ON EXPORTS. IT IS CLEAR THAT AN EXPORT CREDIT BANK WOULD CHANGE COMPETITIVE CONDITIONS. ITS PURPOSE COULD ONLY BE TO INCREASE ACCESS

TO CREDIT AND LOWER ITS COST. SUBH A BANK WOULD BE
OBLIGED TO FINANCE ITS OPERATIONS ON THE CAPITAL MARKET
AT A TIME WHEN THIS MARKET IS ALREADY SUBJECT TO VERY
STRONG DEMAND FROM THE CONFEDERATION, THE CANTONS,
AND THE COMMUNES. IT IS THEREFORE NECESSARY TO
CAREFULLY EXAMINE WHETHER THE ADVANTAGES JUSTIFY SUCH AN
INSTITUTION. QUOTE THE LIQUIDITY OF THE BANKING SYSTEM IS
ADEQUATE, AND I HAVE THE IMPRESSION THAT THERE IS NO
PROBLEM WITH REGARD TO THE AMOUNT OF CREDIT AVAILABLE. UNQUOTE.
AS FOR THE RATE, THE PRESENT LEVEL SHOULD ALLOW
SWITZERLAND TO COMPETE, EVEN WITH THOSE COUNTRIES
THAT PROVIDE SPECIAL FACILITIES FOR LARGE ORDERS.
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